EXHIBIT 3

XINHUA FINANCE MEDIA LTD (XFML)

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XINHUA FINANCE MEDIA LIMITED
Filed on 03/09/2007
File Number 333-140808

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Filed pursuant to Rule 424(b)(4)
Registration No. 333-140808

Prospectus

23,076,923 American Depositary Shares Representing 46,153,846 Common Shares

xinhua finance media

Xinhua Finance Media Limited

This is an initial public offering of American depositary shares, or ADSs, by Xinhua Finance Media Limited, or Xinhua Finance Media. Xinhua Finance Media is offering 17,307,923 ADSs, and the selling shareholders identified in this prospectus are offering an additional 5,769,000 ADSs. Each ADS represents two common shares.

Prior to this offering, there has been no public market for our ADSs or common shares. Our common shares have not been listed on any exchange. The ADSs have been approved for listing on the Nasdaq Global Market under the symbol "XFML".

	Per ADS	Total
Initial public offering price	$ 13.00	$ 299,999,999
Underwriting discounts and commissions	$ 0.91	$ 21,000,000
Proceeds to Xinhua Finance Media, before expenses	$ 12.09	$ 209,252,789
Proceeds to the selling shareholders, before expenses	$ 12.09	$ 69,747,210

The underwriters have an option for a period of 30 days from the date of this prospectus to purchase up to an additional 3,230,538 ADSs from Xinhua Finance Media and up to an additional 231,000 ADSs from a selling shareholder at the initial public offering price less the underwriting discounts and commissions. We will not receive any proceeds from the sale of ADSs by the selling shareholders.

Investing in our ADSs and common shares involves a high degree of risk. See "Risk factors" beginning on page 15.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

JPMorgan **UBS Investment Bank**

CIBC World Markets **WR Hambrecht + Co** **ABN AMRO Rothschild**

March 8, 2007

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You should rely only on the information contained in this prospectus. Neither we nor the underwriters have authorized anyone, including the selling shareholders, to provide you with information that is different from that contained in this prospectus. This prospectus may only be used where it is legal to offer and sell these securities. The information in this prospectus is only accurate as of the date of this prospectus.

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Prospectus summary

You should read the following summary together with the entire prospectus, including the more detailed information regarding us, the ADSs being sold in this offering, and our financial statements and related notes appearing elsewhere in this prospectus.

Overview

We are a leading diversified media company in China. We have assembled and built a group of media assets and strategic partnerships that we believe will enable us to achieve best in class media and advertising services across various sectors of the media business in China.

We have developed a unique, integrated platform that includes the creation and production of high-quality content that is distributed across nationwide television and print media outlets and radio in Beijing and Shanghai, and where advertising sales are supported by our own advertising agency. These outlets reach an estimated 210 million potential television viewers, a potential listening audience of 33 million people, and the readers of leading magazines and newspapers. In addition, our market research business enables our advertisers to analyze, understand and better reach their targeted consumers.

Our content currently focuses on business and financial news as well as wealth management and affluent lifestyle programming. We focus on this programming because we believe it attracts the highest income audience in China. This audience is highly sought after by our target advertisers.

Our business operates across five groups:

- Media production, which refers to our in-house production studios that create and produce a diverse array of high-quality programs, including business, entertainment, educational and animation shows;
- Broadcasting, which refers to the distribution of our programming through Inner Mongolia Satellite Television; our production and syndication of the *Fortune China* series of financial programs, including *Fortune Morning 7 a.m.*, a popular financial news programs in China; and our production and distribution of bilingual content for China Radio International's EasyFM stations in Beijing and Shanghai;
- Print, which refers to our exclusive rights to sell advertising for and provide management and information consulting services to, *Money Journal* magazine and the *Economic Observer* newspaper;
- Advertising, which refers to our advertising agency that creates and places advertising for television, print media and campus billboards; and
- Research, which refers to our market research group that provides research services on products, advertisements and markets.

We generate revenue principally by selling advertising on broadcast and print distribution platforms; selling advertising space on newspaper and magazine pages; selling produced television programs; providing advertisement production services; and providing research services.

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third parties fail to perform or terminate these contracts or cease operations, we will not be able to enforce our rights in court.

- We may not be able to achieve the benefits we expect from recent and future acquisitions, and recent and future acquisitions may have an adverse effect on our ability to manage our business.

Please see "Risk factors" and other information included in this prospectus for a discussion of these and other risks.

Corporate structure

We were incorporated on November 7, 2005 in the Cayman Islands. We acquired several companies from our parent, Xinhua Finance Limited, and continue to make acquisitions. To date, we have acquired eight businesses that form our five operating groups. For a detailed description of our acquisitions, see "Management's discussion and analysis of financial condition and results of operations— Acquisitions".

Upon completion of this offering, we will be 36.9% owned by our parent, Xinhua Finance Limited, 7.5% owned by Patriarch Partners Media Holdings, LLC, and 5.8% owned by Fredy Bush, our Chief Executive Officer and the Chairman of our Board. We have several other significant shareholders, as described in "Principal and selling shareholders". PRC laws and regulations currently impose different levels of restrictions or prohibitions on investment of private capital, including foreign capital, in the media industry, including television, radio, newspaper, magazine, advertising and media content production, and the market research industry. Our subsidiaries in China are limited in their abilities to engage in operations in the media, advertising and market research industries. Accordingly, we operate our businesses in China primarily through contractual arrangements with our affiliated entities and the contractual arrangements we and our affiliated entities have with third parties.

We have entered into contractual arrangements with these affiliated entities and their shareholders, all PRC citizens, which enable us to:

- exercise effective control over these affiliated entities and their respective subsidiaries;
- in the case of Beijing Century Advertising Co., Ltd., to receive a substantial portion of the economic benefits from the affiliated entity and its subsidiaries in consideration for the services provided by our subsidiary, New China Media (Shanghai) Co., Ltd.; and
- have an exclusive option to purchase all or part of the equity interests in the various affiliated entities and certain of their subsidiaries in each case when and to the extent permitted by PRC law.

Corporate information

Our principal executive offices are located at Rooms 3905-3909, Tower 1, Grand Gateway, 1 Hongqiao Lu, Shanghai 200030, People's Republic of China. Our telephone number at this address is (86-21) 6113-5900 and our fax number is (86-21) 6448-4955. Our registered office in the Cayman Islands is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

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The offering

American depositary shares offered:

By Xinhua Finance Media	17,307,923 ADSs
By the selling shareholders	5,769,000 ADSs
The ADSs	Each ADS represents two common shares, par value $0.001 per share. The ADSs are evidenced by American depositary receipts issued by the depositary.
Reserved ADSs	At our request, the underwriters have reserved for sale, at the initial public offering price, up to an aggregate of 1,153,846 ADSs to certain directors, officers, employees and associates of our company through a directed share program. These reserved ADSs account for an aggregate of approximately 5% of the ADSs offered in the offering.
ADSs outstanding immediately after the offering	23,076,923 ADSs
Common shares outstanding immediately after the offering	135,821,273 common shares
Use of proceeds	We intend to use the net proceeds from this offering as follows: • approximately $50 million to repay certain outstanding indebtedness to our parent and Xinhua Financial Network Limited. The indebtedness is due on demand and the interest rates are not specified. The indebtedness was to pay for the costs related to our acquisitions from our parent of equity interests our parent had held before March 31, 2006 in Xinhua Finance Advertising Limited, and the contractual control our parent had held before March 31, 2006 in Beijing Century Media Culture Co., Ltd., as well as the advances from our parent and Xinhua Financial Network enabling us to acquire 19.0% equity interests in Upper Step Holdings Limited and Accord Group Investments Limited; • an undetermined amount for strategic acquisitions of complementary businesses. At this time we have not entered into advanced discussions or negotiations regarding potential acquisitions except for the acquisition of the remaining equity of Beijing Perspective; and • the balance to fund working capital and for other general corporate purposes.

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Dividend policy

We have never declared or paid any dividends on our common shares, nor do we have any present plan to pay any cash dividends on our ADSs in the foreseeable future. We currently intend to retain most of our available funds and any future earnings to operate and expand our business. We have, however, paid dividends to the holder of our convertible preferred shares of approximately $1.7 million per quarter since March 2006, which payment we plan to continue until June 30, 2007. We will discontinue these dividends upon conversion of the convertible preferred shares.

As we are a holding company, we rely on dividends paid to us by our wholly-owned subsidiaries Upper Step Holdings Limited, Accord Group Investments Limited, and Xinhua Finance Advertising Limited, all of which are British Virgin Islands business companies, and by our wholly-owned subsidiary EconWorld Media Limited, a Hong Kong company, for our cash requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders, service any debt we may incur and pay our operating expenses.

In the British Virgin Islands, the payment of dividends is subject to limitations. A British Virgin Islands business company that prior to January 1, 2007 existed as an international business company is permitted to declare and pay dividends only out of surplus, meaning the excess, if any, at the time of the determination, of the total assets of the company over the sum of its total liabilities, as shown in the books of account, plus its capital. In addition, such company may not declare or pay a dividend unless the directors of the company determine that immediately after the payment of the dividend the company will be able to satisfy its liabilities as they become due in the ordinary course of its business and the realizable value of the assets of the company will not be less than the sum of its total liabilities, other than deferred taxes, as shown in the books of account, and its capital.

In Hong Kong, the payment of dividends is also subject to limitations. Dividends may only be distributed out of accumulated, realized profits less accumulated, realized losses. Accumulated, realized profits must not have been previously distributed or capitalized. Accumulated, realized losses do not include those previously written off in a reduction or reorganization of capital.

Our board of directors has complete discretion on whether to pay dividends, subject to the approval of our shareholders. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. Cash dividends on our ADSs, if any, will be paid in U.S. dollars.

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- acquire companies that operate media-related or advertising businesses complementary to our existing operations; and
- maintain existing and enter into new strategic partnerships that allow us to access appropriate media assets and know-how.

As we continue to grow, we expect to face a number of challenges. We have made acquisitions in rapid succession to build our integrated platform of products and services. We must integrate all these acquisitions successfully, as well as any future acquisitions. Some of our businesses have incurred net losses in the past, such as our *Fortune China* operations in our broadcasting group and our magazine operations in our print group, and we must ensure they are profitable in the future. In addition, we must adapt to continuing technological innovations and changes in the regulatory environment.

Acquisitions

We were established on November 7, 2005 by our parent, Xinhua Finance Limited. We have acquired the companies listed below to build our integrated platform of products and services.

We acquired all of our operating groups in 2006. We issued two promissory notes on March 31, 2006, one in favor of our parent for $68.5 million and the other in favor of its subsidiary Xinhua Financial Network Limited, or Xinhua Financial Network, for $38.2 million, in return for the following transfers and advances: Two of our acquired entities, Beijing Century Media Culture Co., Ltd, or Beijing Century Media, and Ming Shing International Limited, or Ming Shing, were initially acquired by our parent and subsequently transferred to us. In addition, our parent and Xinhua Financial Network advanced the purchase price for our purchase of 19.0% of the equity of Upper Step Holdings Limited, or Upper Step, and 19.0% of the equity of Accord Group Investments Limited, or Accord Group. See "Related party transactions— Transactions with our parent or its subsidiaries— Loan agreements between us and our parent or its subsidiaries". The transaction agreements for some of our acquisitions contain earn-out provisions that would require payment of additional consideration based on the financial performance of the acquired company. Our parent is contractually obligated for paying these earn-out considerations except for the earn-out for Shanghai Hyperlink Market Research Co., Ltd., or Hyperlink, for which we and our parent are both responsible. Although the contracts do not specify whether the parent has a right to make such a request, if the amount of the earn-outs exceeds original estimates, our parent may request us to pay for the difference between these payments and the amounts due under the promissory notes or otherwise paid by us to our parent or Xinhua Financial Network for certain acquisitions. Several of the entities listed below are affiliated entities or subsidiaries that exercise effective control over affiliated entities, and we have contractual arrangements with each affiliated entity and all of its shareholders that enable us to effectively control such entity. Several others are subsidiaries of affiliated entities. For a description of these contractual arrangements, see "Corporate structure— Our corporate structure and contractual arrangements".

- ***Media Production.*** Our parent, through a subsidiary, lent funds to two PRC citizens, who used the funds to buy a combined 100% equity interest in Beijing Century Media on September 9, 2005. On the same day, the subsidiary of our parent entered into a set of agreements with these two PRC citizens to give our parent effective control over Beijing Century Media. Our parent transferred its control of Beijing Century Media to us through

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one of our affiliated entities on March 16, 2006 at a price of $11.4 million. This amount was included in our promissory notes to our parent and Xinhua Financial Network.

- ***Broadcasting.*** Our broadcasting group was formed through the following three acquisitions:
  - *Upper Step.* We signed a series of agreements pursuant to which we acquired 19.0% of the equity of Upper Step on February 28, 2006, at an initial price of $5.1 million. This amount was paid by Xinhua Financial Network and included in our promissory notes to Xinhua Financial Network and our parent. As part of the same series of agreements, Sino Investment Holdings Limited, or Sino Investment, also purchased 37.0% of Upper Step. We also injected an additional $3.2 million into Upper Step. Of that amount, $2.0 million was a loan from us paid by Xinhua Financial Network, and we subsequently repaid Xinhua Financial Network. On September 22, 2006, we acquired an additional 37.0% of the equity of Upper Step from Sino Investment for a consideration of 6,478,437 class A common shares, $9.1 million paid by our parent and 4,099,968 warrants to purchase our class A common shares at $3.659 per share. The warrants are immediately exercisable and valid for five years. In addition, Sino Investment issued a demand promissory note to us in the amount of $7.9 million as part of this transaction. On October 24, 2006, we made an additional payment of $10.0 million partially under our obligations for the purchase of 19.0% of Upper Step and partially to meet the obligations of Sino Investment for its purchase of 37.0% of Upper Step. On November 1, 2006, we acquired the remaining 44.0% of the equity of Upper Step from Honour Rise Services Limited, or Honour Rise, a wholly-owned subsidiary of Shanghai Wai Gao Qiao Free Trade Zone Development Co., Ltd., for 6,407,018 class A common shares. Primarily through Upper Step's subsidiaries and affiliated entities, we have our strategic partnership with Shanghai Camera Media Investment Co., Ltd., or Shanghai Camera, the content and advertising provider to Inner Mongolia Satellite Television. Until Upper Step entered into this strategic partnership, it had no operations.
  - *Beijing Perspective.* Through Beijing Century Media, an affiliated entity, we acquired 51.0% of the equity of Beijing Perspective Orient Movie and Television Intermediary Co., Ltd., or Beijing Perspective, on July 28, 2006. Xinhua Financial Network financed the purchase price for this acquisition. Beijing Perspective engages in the production, distribution and syndication of *Fortune China*. On January 31, 2007, our parent entered into a letter of intent by which it agreed to use its best efforts to enter into a purchase agreement for the remaining shares of Beijing Perspective by September 30, 2007. After the acquisition, we intend to purchase this equity from our parent. The closing of the acquisition is conditional on a number of events, including compliance with PRC laws, receipt of necessary approvals and delivery of customary legal opinions.
  - *Accord Group.* We acquired 19.0% of the equity of Accord Group on January 23, 2006 at a price of $440,000, which was paid by Xinhua Financial Network. This amount was included in our promissory notes to Xinhua Financial Network and our parent. On September 22, 2006, we acquired 61.0% of the equity of Accord Group from Sino Investment by issuing 451,107 class A common shares to Sino Investment. On November 1, 2006, we acquired the remaining 20.0% of the equity of Accord Group from Honour Rise for 125,053 class A common shares. Through Accord Group and its affiliated entity, Century Media Advertising, we have a partnership with China Radio International's exclusive advertising agent to provide content to and exercise the exclusive right to sell advertising for the EasyFM stations of Beijing and Shanghai.

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Although it is reasonable to expect that the completion of this offering may increase the value of our common shares underlying our outstanding options as a result of their increased liquidity and marketability, the amount of such additional value cannot be measured with precision or certainty.

Our estimated fair value per common share increased from $0.60 in June 2006 to $6.50 in February 2007. At the time of the June 2006 valuation by American Appraisal, our scale of operations and revenue base were relatively small as we were formed in November 2005. As of June 2006, we had acquired controlling interests in three businesses: print, production and advertising. Our focus was on executing a strategy of increasing our interest in existing assets and acquiring additional assets in order to build our media platform. Additionally, given our limited operating history, our ability to make and integrate acquisitions was untested. The June 2006 valuation considered our future prospects in light of the risks and uncertainties experienced by early stage companies in evolving and heavily regulated industries such as the media industry in China. In light of our limited operating history and operating assets at that time, there was significant execution risk in our strategy to acquire and integrate other media assets.

The primary factors and events which contributed to the increase in the fair value of our common shares from June 2006 to the date of this prospectus can be categorized broadly into three groups: acquisitions, operations and integration. The following is a summary of the significant factors and events within each group that contributed to the increase:

(1) We made a number of acquisitions that significantly expanded our scope of business. These include:

- Our *Fortune China* operations, through acquisition of Beijing Perspective;
- Our right to advertise on China Radio International's Beijing and Shanghai stations through acquisition of the Accord Group;
- Our right to advertise and provide content through Shanghai Camera on Inner Mongolia Satellite Television through acquisition of Upper Step;
- Our exclusive rights to sell advertising for and provide management and information consulting services to the *Economic Observer* newspaper, through acquisition of Economic Observer Advertising; and
- Our research group, through acquisition of Hyperlink.

(2) Since June 2006, we significantly improved our operations, with several of our operating units achieving better operating results than expected. This was due to number of factors, including the better ratings of television programs aired on Inner Mongolia Satellite Television, improved circulation of *Money Journal*, our strengthening of our strategic partnerships in television and radio, respectively, and increased advertising inventory secured for 2007.

(3) We expect the completion of the above-mentioned acquisitions and integration of the existing and acquired businesses to generate synergies and enhance the value of our company. These expected synergies include:

- Cross-selling, which we believe should increase the quality of our services and amount of our revenue;

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Corporate structure

Our group structure

After this offering, we will be a 36.9% owned direct subsidiary of Xinhua Finance Limited, a public company incorporated in the Cayman Islands and listed on the Mothers Board of the Tokyo Stock Exchange. Due to our parent's ownership of class B common shares, our parent will hold 85.4% of the voting power of our common shares. Xinhua Finance Limited, together with its direct and indirect subsidiaries, is an integrated service provider of financial information products focused on China's financial markets and international financial markets. Our parent offers the following principal services:

- *Market indices.* Our parent provides equity indices and bond indices measuring the performance of China's stock and bond markets, all developed according to methodology used in international markets. Our parent also provides a customized U.S. index that tracks dividend-paying equities in the U.S.
- *Ratings.* Our parent issues public information ratings based on publicly available information, according to methodology generally used in international markets. The group also offers a comprehensive global portfolio of company, securities, and financial information along with research and analytical tools.
- *Financial news and analysis.* Our parent provides financial news mainly covering China's financial markets and international financial markets, as well as a comprehensive range of analytical reports and products for China and the international markets, covering economic developments, fixed-income and foreign exchange, currency and interest rate movements, government policies and central bank activities.
- *Investor relations.* Our parent offers corporate announcement services that allow companies inside and outside of China to communicate their news and events. Our parent also offers investor and public relations services.

Our history

We were incorporated on November 7, 2005 in the Cayman Islands. We acquired several companies from our parent, Xinhua Finance Limited, and continue to make acquisitions. To date, we have acquired eight businesses that form our five operating groups. For a detailed description of our acquisitions, see "Management's discussion and analysis of financial condition and results of operations — Acquisitions". The acquisitions are:

- ***Media Production.*** Our parent, through a subsidiary, lent funds to two PRC citizens, who used the funds to buy a combined 100% equity interest in Beijing Century Media Culture Co., Ltd., or Beijing Century Media, on September 9, 2005. On the same day, the subsidiary of our parent entered into a set of agreements with these two PRC citizens to give our parent effective control over Beijing Century Media. Our parent transferred its control of Beijing Century Media to us through one of our affiliated entities on March 16, 2006.
- ***Broadcasting.*** Our broadcasting group was formed through the following three acquisitions:
  - *Upper Step.* We signed a series of agreements pursuant to which we acquired 19.0% of the equity of Upper Step Holdings Limited, or Upper Step, on February 28, 2006. On

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September 22, 2006, we acquired an additional 37.0% of the equity of Upper Step and on November 1, 2006, we acquired the remaining 44.0% of the equity of Upper Step.

- *Beijing Perspective.* Through our affiliated entity, we acquired 51.0% of the equity of Beijing Perspective Orient Movie and Television Intermediary Co., Ltd., or Beijing Perspective, on July 28, 2006. On January 31, 2007, our parent entered into a letter of intent by which it agreed to use its best efforts to enter into a purchase agreement for the remaining shares of Beijing Perspective by September 30, 2007. After the acquisition, we intend to purchase this equity from our parent.
- *Accord Group.* We acquired 19.0% of the equity of Accord Group Investments Limited, or Accord Group, on January 23, 2006. On September 22, 2006, we acquired 61.0% of the equity of Accord Group and on November 1, 2006, we acquired the remaining 20.0% of the equity of Accord Group.

- ***Print.*** Our print group was formed through the following two acquisitions:
  - *Economic Observer Advertising.* Through our affiliated entity, we acquired 50.0% of the equity of Beijing Jingguan Xincheng Advertising Co., Ltd., or Economic Observer Advertising, on June 8, 2006 and the remaining 50.0% of the equity of Economic Observer Advertising on September 15, 2006.
  - *EconWorld Media.* Our parent subscribed for 60.0% of the equity of EconWorld Media Limited, or EconWorld Media, on May 26, 2005 and transferred that interest to us on January 12, 2006. On June 8, 2006, we subscribed to one additional share of EconWorld Media. We acquired another 12.0% of the equity of EconWorld Media on June 21, 2006, and the remaining 28% on December 18, 2006.
- ***Advertising.*** Our parent acquired 100% of the equity in Ming Shing International Limited, or Ming Shing, on January 12, 2006 and subsequently transferred Ming Shing to us on March 16, 2006. Ming Shing subsequently changed its name to Xinhua Finance Advertising Limited, or Xinhua Finance Advertising, on June 19, 2006.
- ***Research.*** Through our affiliated entity, we acquired 51.0% of the equity of Shanghai Hyperlink Market Research Co., Ltd., or Hyperlink, on August 1, 2006. On September 18, 2006, we acquired the remaining 49.0% of the equity of Hyperlink through our affiliated entity.

Our corporate structure and contractual arrangements

We conduct a substantial portion of our operations in China through our contractual arrangements with certain of our affiliated entities and their shareholders, as well as certain of our direct subsidiaries in China. The affiliated entities, along with their subsidiaries, on which we rely to carry out our operations in China are:

- Beijing Pioneer Media Advertising Co., Ltd., a wholly-owned subsidiary of Shanghai Yuan Zhi Advertising Co., Ltd., our affiliated entity, that acts as exclusive external advertising agent for Shanghai Camera Media Investment Co., Ltd., or Shanghai Camera;
- Beijing Perspective, an affiliated entity that primarily engages in producing the *Fortune China* series of television programming;

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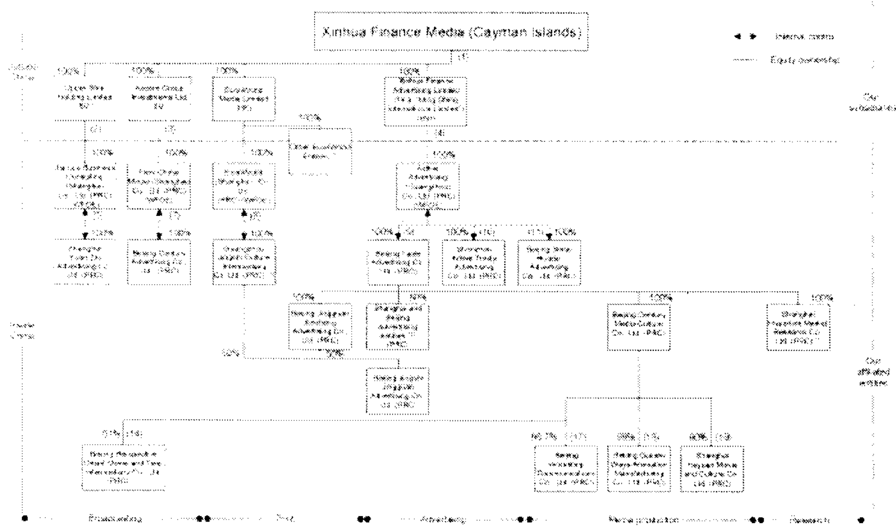
The following diagram illustrates our corporate structure and the place of incorporation of each named entity as of the date of this prospectus.



(1) Xinhua Finance Media wholly owns three other subsidiaries, Xinhua Finance Media (Shanghai) Co., Ltd., Xinhua Finance Media (Beijing) Co., Ltd. and Zhongxi Taihe Culture Consultation (Shanghai) Co., Ltd.

(2) Xinhua Finance Media owns 100% of the equity interest in Upper Step Holdings Limited, or Upper Step, a British Virgin Islands company. Upper Step is the 100% equity owner of China Lead Profits Limited, or China Lead, a British Virgin Islands company. China Lead is the 100% equity holder of Jia Luo Business Consulting (Shanghai) Co., Ltd., or Jia Luo.

(3) Xinhua Finance Media owns 100% of the equity interest in Accord Group Investments Ltd., a British Virgin Islands company, which owns 100% of the equity interest in Great Triumph Investments Ltd., or Great Triumph, a British Virgin Islands company. Great Triumph is the 100% owner of the equity interests in New China Media (Shanghai) Co., Ltd, or New China, a PRC company.

(4) Xinhua Finance Media owns 100% of the equity interest in Xinhua Finance Advertising Limited, or Xinhua Finance Advertising, formerly known as Ming Shing International Limited, a British Virgin Islands company. Xinhua Finance Advertising owns 100% of the equity interest in Upper Will Enterprises Limited, a British Virgin Islands company, which in turn owns 100% of the equity interest in Active Advertising Agency Limited, or Active Advertising Hong Kong, a Hong Kong company. Active Advertising Hong Kong owns 100% of the equity interest in Active Advertising (Guangzhou) Co., Ltd.

(5) EconWorld Media owns 100% of the equity interest in Money Journal Publication Limited, or Money Journal Publication Hong Kong, a Hong Kong company, 100% of the equity interest in EconWorld Publishing Limited, a Hong Kong company, and 100% of the equity interest in Financial World (Shanghai) Co., Ltd., a PRC company. Money Journal Advertising Company Limited, a Hong Kong company, is a wholly-owned subsidiary of Money Journal Publication Hong Kong.

(6) Contractual agreements consist of a secured loan agreement entered by Wan Jun, the 51% shareholder of Shanghai Yuan Zhi Advertising Co., Ltd., or Yuan Zhi, an exclusive equity purchase option agreement entered into between Jia Luo and Wan Jun, and an equity pledge agreement and a subrogation agreement entered into among Jia Luo, Yuan Zhi and Wan Jun; a loan agreement entered by Li Guang Jie, the 49% shareholder of Yuan Zhi, an exclusive equity purchase option agreement entered into between Jia Luo and Li Guang Jie, and an equity pledge agreement and a subrogation agreement entered into among Jia Luo, Yuan Zhi and Li Guang Jie. Yuan Zhi has a wholly-owned subsidiary, Beijing Pioneer Media Advertising Co., Ltd.

(7) Contractual agreements consist of a secured loan agreement entered by Wang Yong Hong, a member of the management team of and the 100% shareholder of Beijing Century Advertising Co., Ltd., or Century Media Advertising, an exclusive conditional equity purchase agreement entered into between New China and Wang Yong Hong, an equity pledge agreement and a subrogation agreement entered into among New China, Century Media Advertising, and Wang Yong Hong, and a service agreement between New China and Century Media Advertising.

(8) Contractual agreements consist of a secured loan agreement entered by Jiang Gui Bin, the 50% shareholder of Guangzhou Jingshi Culture Intermediary Co., Ltd., or Guangzhou Jingshi, an exclusive conditional equity purchase agreement entered

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into between EconWorld (Shanghai) Co., Ltd., or EconWorld Shanghai, and Jiang Gui Bin, and an equity pledge agreement and a subrogation agreement entered into among EconWorld Shanghai, Guangzhou Jingshi and Jiang Gui Bin; a secured loan agreement entered into by Wang Yong Hong, the 50% shareholder of Guangzhou Jingshi, an exclusive conditional equity purchase option agreement entered into between EconWorld Shanghai and Wang Yong Hong, and an equity pledge agreement and a subrogation agreement entered into among EconWorld Shanghai, Guangzhou Jingshi and Wang Yong Hong.

(9) Contractual agreements consist of a secured loan agreement entered by Eric An, the 50% equity shareholder of Beijing Taide Advertising Co., Ltd., or Beijing Taide, an exclusive conditional equity purchase agreement entered into between Active Guangzhou and Eric An, and an equity pledge agreement and a subrogation agreement entered into among Active Guangzhou, Beijing Taide and Eric An; a secured loan agreement entered by Wang Yong Hong, the 50% shareholder of Beijing Taide, an exclusive conditional equity purchase agreement entered into between Active Guangzhou and Wang Yong Hong, and an equity pledge agreement and a subrogation agreement entered into among Active Guangzhou, Beijing Taide and Wang Yong Hong.

(10) Contractual agreements consist of a secured loan agreement entered by Eric An, the 50% equity shareholder of Shenzhen Active Trinity Advertising Co., Ltd., or Shenzhen Trinity, an exclusive conditional equity purchase agreement entered into between Active Guangzhou and Eric An, and an equity pledge agreement and a subrogation agreement entered into among Active Guangzhou, Shenzhen Trinity and Eric An, a secured loan agreement entered by Zhang Wen Jin, the 50% equity shareholder of Shenzhen Trinity, an exclusive conditional equity purchase agreement entered into between Active Guangzhou and Zhang Wen Jin, and an equity pledge agreement and a subrogation agreement entered into among Active Guangzhou, Shenzhen Trinity and Zhang Wen Jin

(11) Contractual agreements consist of a secured loan agreement entered by Kuang Peiyue, the 50% shareholder of Beijing Xintai Huade Advertising Co., Ltd., or Xintai Huade, an exclusive equity purchase option agreement entered into among Xintai Huade and Kuang Peiyue, and an equity pledge agreement and a subrogation agreement entered into between Xintai Huade, Active Advertising (Guangzhou) Co., Ltd. and Kuang Peiyue; a loan agreement entered by Wang Yue, the 50% shareholder of Xintai Huade, an exclusive equity purchase option agreement entered into between Xintai Huade and Wang Yue, and an equity pledge agreement and a subrogation agreement entered into among Xintai Huade, Active Advertising (Guangzhou) Co., Ltd. and Wang Yue.

(12) Beijing Taide is the 80% shareholder of the following entities: Shangtuo Zhiyang International Advertising (Beijing) Co., Ltd., or Shangtuo Zhiyang, Beijing Longmei Television and Broadcast Advertising Co., Ltd., or Beijing Longmei, Beijing Jinlong Runxin Advertising Co., Ltd., or Beijing Jinlong Runxin. Wang Xiao Yu is the 20% equity holder of Shangtuo Zhiyang. Zhang Yi Ran and Zhou Jia are both the 10% equity holders of Beijing Longmei. Zhou Jia and Zhang Yu Yu are both the 10% equity holders of Beijing Jinlong Runxin. Wang Xiao Yu is a manager of Shangtuo Zhiyang. Zhou Jia is a manager of Beijing Longmei and of Beijing Jinlong Runxin. Beijing Taide is the 100% shareholder of Shanghai Yuanxin Advertising Intermediary Co., Ltd., a PRC company.

(13) Beijing Perspective Orient Movie and Television Intermediary Co., Ltd., or Beijing Perspective, is the 100% shareholder of Beijing Perspective Orient Advertising Co., Ltd., or Beijing Perspective Orient Advertising, a PRC company

(14) Hunan Television and Broadcast Intermediary Co., Ltd., or Hunan Television & Broadcast, owns 49.0% of the equity interest in Beijing Perspective. Hunan Television Station is a shareholder of Hunan Television & Broadcast.

(15) Hyperlink has a wholly-owned subsidiary Guangzhou Hyperlink Market Research Co., Ltd., a PRC company.

(16) Guangzhou Jingshi has a wholly-owned subsidiary Beijing Qiannuo Advertising Co., Ltd., a PRC company.

(17) The remaining 3.3% of the equity interests of Beijing Workshop Communications Co., Ltd. is owned equally by Yu Gang and Xia Huai. Yu Gang is the Managing Director of our media production group. Xia Huai is Yu Gang's wife

(18) The remaining 1% of the equity interests of Beijing Golden Ways Animation Production Co., Ltd., formerly Beijing Golden Ways Culture Development Co., Ltd., is owned equally by Yu Gang and Xia Huai.

(19) The remaining 10% of the equity interests of Shanghai Heyuan Movie and Culture Co., Ltd. is owned by Xia Huai.

PRC laws and regulations currently impose different levels of restrictions or prohibitions on investment of foreign and private capital in the media industry, including television, radio, newspapers, magazines, advertising and media content production, and the market research industry. See "Regulation— Regulations on investment of foreign and private capital in the media, advertising and market research industries". Our subsidiaries in China, which are considered as foreign-invested entities, are limited in their abilities to engage in operations in the media, advertising and market research industries. Accordingly, we operate our businesses in China primarily through our affiliated entities and their contractual arrangements with our strategic partners.

In our media production, advertising and market research businesses, our affiliated entities and their subsidiaries hold the requisite licenses and permits. See "Risk factors— Risks related to the

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Management

Directors and executive officers

The following table sets forth information regarding our directors and executive officers as of the date of this prospectus.

Directors and executive officers	Age	Position
Fredy Bush	48	Chairman of Board of Directors and Chief Executive Officer
Shelly Singhal[(1)]	39	Chief Financial Officer and Director Nominee
Zhu Shan[(1)]	38	Chief Operating Officer and Director Nominee
Alex Fan	35	President, Print Group
Teddy Liu Weidong	35	President, Advertising Group
Yu Gang	39	President, Media Production Group
Stephen Xie Wei	37	President, Research Group
Graham Earnshaw[(1)]	54	President, Editorial and Director Nominee
Aloysius T. Lawn[(1)]	48	Independent Director Nominee
John H. Springer[(1)]	50	Independent Director Nominee
Zhao Li[(1)]	36	Director Nominee
Long Qiu Yun[(1)]	43	Independent Director Nominee

(1) Appointed to serve as a director, commencing from the Securities and Exchange Commission's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

Directors

Fredy Bush has been our Chief Executive Officer and Chairman of the Board of Directors since our founding in November 2005. She has served as a director and Chief Executive Officer of our parent, Xinhua Finance Limited, since February 2004. Since June 2001 and January 2002, respectively, she has served as Vice Chairman and Chief Executive Officer of Xinhua Financial Network Limited, or XFN, the predecessor to our parent. From 1987 to 2001, Ms. Bush operated a consulting business in Asia where she assisted clients in building business alliances, particularly between the United States and Asia and in the financial sector. Her consulting business worked in Taiwan from 1985 to 1990 to establish Taiwan's first official futures market. Ms. Bush serves as a director for 27 subsidiaries or affiliates of our parent, including EconWorld Media Limited. Ms. Bush serves on the board of Bush Corporation, Chazara Foundation, and Xinhua Finance Library Foundation Limited.

Ms. Bush has received a number of awards, including being listed among the Wall Street Journal's Top 50 Women to Watch in 2004 and the Ellis Island Medal of Honor by the National Ethnic Coalition of Organizations in 2006. In 2006, she also received the Asia Entrepreneur of the Year Award from CNBC and a Woman of Influence Award for Entrepreneur of the Year by the American Chamber of Commerce in Hong Kong.

Shelly Singhal has served as our Chief Financial Officer since September 2006, and has served as a director of our parent, Xinhua Finance Limited, since July 2004. Mr. Singhal will serve as our director, commencing from the Securities and Exchange Commission's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

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Mr. Singhal sits on the Compensation Committee, Audit Committee and Investment Committee of our parent. Mr. Singhal founded the SBI Group, an investment company, in June 2001, serving as its Managing Director until December 2003, and as Chairman and CEO since that time. Mr. Singhal has also served as a director and member of the Compensation Committee of Small World Kids Inc. since October 2004. Mr. Singhal owns Bedrock Securities, a NASD licensed broker dealer and its sister company, Bedrock China Futures, Ltd., which is an Asian securities trading company. Mr. Singhal worked for SBI-E2 Capital, a member of Softbank Investment Group, from 2001 to 2003. Mr. Singhal holds a B.S. degree in Business Administration from Seaver College at Pepperdine University.

Zhu Shan has served as our Chief Operating Officer since September 2006. Mr. Zhu will serve as our director, commencing from the Securities and Exchange Commission's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. From April 2002 to August 2006, Mr. Zhu was the Managing Director of FTSE Xinhua Index, a joint venture between Xinhua Financial Network and FTSE International. Prior to that, Zhu Shan was the Vice President of China business development for Xinhua Financial Network and once a leading negotiator of the PRC Ministry of Defense with 10 years of management experience. Zhu Shan holds a Master's degree in Public Administration degree from Harvard University and a B.A. degree in British and American literature from Luoyang Foreign Studies Institute in China.

Graham Earnshaw has served as our Editorial President since September 2006. Mr. Earnshaw will serve as our director, commencing from the Securities and Exchange Commission's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. Mr. Earnshaw has also served as Editor-in-Chief of Xinhua Financial Network, a subsidiary of our parent, since January 2001. From 1997 to 2000, Mr. Earnshaw was the director of SinoMedia Ltd. From 1984 to 1997, Mr. Earnshaw worked for Reuters news agency in a variety of positions including Asian Editor from 1990 to 1995.

Aloysius T. Lawn will serve as our independent director, commencing from the Securities and Exchange Commission's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. Mr. Lawn served as a director of Stonepath Group, Inc. from February 2001 to February 2007. Until December 2006, Mr. Lawn was the Executive Vice President— General Counsel and Secretary of Talk America Holdings, Inc., an integrated communications service provider with programs designed to benefit the residential and small business markets. Prior to joining Talk America Holdings, Inc. in 1996, Mr. Lawn was an attorney in private practice with extensive experience in private and public financings, mergers and acquisitions, securities regulation and corporate governance from 1985 through 1995. Mr. Lawn graduated from Yale University and Temple University School of Law.

John H. Springer will serve as our independent director, commencing from the Securities and Exchange Commission's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. Mr. Springer served on the board of directors of Stonepath Group, Inc. from May 2003 to February 2007. Mr. Springer has held both domestic U.S. and international logistics positions at IBM Corporation, Union Pacific Corporation's third party logistics unit, and at Dell Computer from 1995 to 2002. Mr. Springer jo ned Nike, Inc. in 2002 and is its Director of Global Operations— Golf Division. Mr. Springer has been active in the Council of Logistics Management throughout his career, including holding the position of President for the Central Texas region. He earned his B.S. at Syracuse University in

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	Common shares beneficially owned prior to this offering		Common shares being sold in this offering		Shares beneficially owned after this offering(1)	
	Number(2)	% (3)	Number(2)	% (3)	Number(2)	% (3)
Principal and selling shareholders:						
Xinhua Finance Limited(14)	50,054,618	51.3%	—	—	50,054,618	36.9%
Patriarch Partners Media Holdings, LLC(15)	19,139,655	19.6%	9,000,000	9.2%	10,139,655	7.5%
Sino Investment Holdings Limited(16)	5,514,756	5.7%	—	—	5,514,756	4.0%
Dragon Era Group Limited(17)	9,365,000	9.6%	1,500,000	1.5%	7,865,000	5.8%
Zhao Li(12)	5,874,493	6.0%	—	—	5,854,493	4.3%
Honour Rise Services Limited(18)	6,532,071	6.7%	—	—	6,532,071	4.8%
Dennis L. Pelino Family Trust(19)	5,514,756	5.7%	1,038,000	1.1%	4,476,756	3.3%

(1) Assumes that the underwriters do not exercise the over-allotment option.

(2) Beneficial ownership of each listed person is determined assuming the conversion of all outstanding convertible preferred shares held by such person into common shares and the exercise of options held by such person within 60 days.

(3) The percentage of beneficial ownership of each listed person prior to this offering is based on (i) 97,651,026 common shares outstanding, on an as-converted basis, as of the date of this prospectus, including common shares convertible from our convertible preferred shares and (ii) common shares available upon the exercise of options, convertible debt or warrants held by such person within 60 days. The percentage of beneficial ownership of each listed person after this offering is based on (i) 135,821,273 shares outstanding immediately after the closing of this offering, including common shares issued in this offering and common shares issued upon the conversion of all of our convertible preferred shares and (ii) common shares available upon the exercise of options or warrants held by such person within 60 days.

(4) Includes 9,365,000 class A common shares owned by Dragon Era Group Limited that are restricted. See "Description of share capital". The business address of Ms. Bush is Rooms 3905-3909, Tower 1, Grand Gateway, 1 Hongqiao Lu, Shanghai 200030 People's Republic of China. The 9,365,000 class A common shares held by Dragon Era Group Limited are subject to staggered lock-up periods ranging up to five years from June 13, 2006 with 1,500,000 class A common shares vested when the Securities and Exchange Commission declared our registration statement on Form F-1, of which this prospectus is a part, effective. 2,210,000 will vest on June 13, 2008, 2,210,000 will vest on June 13, 2009, 2,210,000 will vest on June 13, 2010 and 1,235,000 will vest on June 13, 2011.

(5) Includes 3,464,772 class A common shares and 2,049,984 class A common shares exercisable per warrants beneficially owned through Mr. Singhal's beneficial ownership of the equity of Sino Investment and 900,000 shares to be granted to Mr. Singhal as compensation at the time of the offering. The shareholders of Sino Investment are Mr. Singhal and Sino (US) LLC. Mr. Singhal holds 89.4% of the equity of Sino (US) LLC. The business address of Mr. Singhal is Suite 2003-2005 Viewood Plaza, 199 Des Voeux Road Central, Hong Kong. Sino Investment has identified itself to us as an affiliate of a broker-dealer and has represented to us that it purchased the securities in the ordinary course of business and at the time of such purchase, it had no agreement or understanding, directly or indirectly, with any person to distribute the securities.

(6) Includes 350,000 class A common shares exercisable upon options held by Mr. Zhu that are exercisable only upon IPO. Does not include a further 350,000 options. See "Description of share capital". The business address of Mr. Zhu is Rooms 3905-3909, Tower 1, Grand Gateway, 1 Hongqiao Lu, Shanghai 200030 People's Republic of China.

(7) Includes 350,000 class A common shares exercisable upon options held by Mr. Earnshaw that are exercisable only upon IPO. Does not include a further 350,000 options. See "Description of share capital". The business address of Mr. Earnshaw is Rooms 3905-3909, Tower 1, Grand Gateway, 1 Hongqiao Lu, Shanghai 200030 People's Republic of China.

(8) Includes 147,093 class A common shares exercisable upon options held by Mr. Fan that are exercisable only upon IPO. Does not include a further 147,093 options. See "Description of share capital". The business address of Mr. Fan is Room 408, 55 Dong'an Menda Street, Dongcheng District, Beijing, People's Republic of China.

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(9) Includes 68,430 class A common shares exercisable upon options held by Mr. Liu that are exercisable only upon IPO. Does not include an additional 68,430 options. See "Description of share capital". The business address of Mr. Liu is 1706 Tower A, Jing Song Qiao Fu Dun Center, Beijing, People's Republic of China.

(10) Includes 125,053 class A common shares, and 270,491 class A common shares exercisable upon options held by Mr. Yu or 41,316 class A common shares exercisable upon options held by Xia Huai, Mr. Yu's wife, that are exercisable only upon IPO. Does not include an additional 270,491 options held by Mr. Yu and 41,316 options held by Xia Huai. See "Description of share capital". The business address of Mr. Yu is D-10, 798 Art Zone, 4 Jiu Xian Qiao Road, Chaoyang District, Beijing, People's Republic of China.

(11) Includes 1,613,169 class A common shares held as nominee for members of the management team of Hyperlink and 167,630 class A common shares exercisable upon options held by Mr. Xie that are exercisable only upon IPO. Does not include an additional 167,630 options. See "Description of share capital". The business address of Mr. Xie is 12th Floor, Xincheng Building, No. 167 Jiangning Road, Shanghai, People's Republic of China.

(12) Includes 56,588 class A common shares exercisable upon options held by Mr. Zhao and 5,761,317 class A common shares. These options are exercisable only upon IPO. Does not include an additional 56,588 options. The business address of Mr. Zhao's business address is No. 7 Building Xinghua Dongli, Heping Li Street, Dong Cheng District, Beijing, People's Republic of China.

(13) Includes common shares and warrants held by all of our directors and senior executive officers as a group.

(14) Shares are class B common shares. See "Description of share capital". Xinhua Finance Limited is a public company listed on the Mothers Board of the Tokyo Stock Exchange. The business address of Xinhua Finance Limited is Suite 2003-2005 Viewood Plaza, 199 Des Voeux Road Central, Hong Kong. The holdings of our parent in our shares have decreased from 100% holding at our founding.

(15) Includes 15,585,254 convertible preferred shares and 3,554,401 class A common shares that may be issued upon conversion of a convertible loan granted by Patriarch Partners Media Holdings, LLC, or Patriarch Partners, to us. The convertible preferred shares will convert into 15,585,254 common shares, assuming there are no accrued and unpaid dividends and no change in the conversion price. For a description of how Patriarch Partners' holdings in our shares have changed and other information on the convertible loan and preferred shares, see "Description of share capital" and "Related party transactions— Transactions with Patriarch Partners-- Credit agreement among us, Patriarch Partners, Patriarch Partners Agency Services, LLC and our direct subsidiaries, as guarantors". Lynn Tilton, in her capacity as the manager of Patriarch Partners, may be deemed to share investment and voting control over the shares held by Patriarch Partners. Ms. Tilton disclaims beneficial ownership of the shares owned by Patriarch Partners, except to the extent of her pecuniary interest in Patriarch Partners. The business address of Patriarch Partners is 40 Wall Street, 25th Floor, New York, NY 10005.

(16) Includes 3,464,772 class A common shares and 2,049,984 class A common shares that may be issued upon the exercise of warrants. The shareholders of Sino Investment are Mr. Shelly Singhal and Sino (US) LLC, who share investment and voting power over the shares held by Sino Investment. The registered address of Sino Investment is Charlotte House, Charlotte Street, P.O. Box N-341, Nassau, Bahamas. Mr. Singhal holds 89.4% of the interest of Sino (US) LLC. Sino Investment has identified itself to us as an affiliate of a broker-dealer and has represented to us that it purchased the securities in the ordinary course of business and at the time of such purchase, it had no agreement or understanding, directly or indirectly, with any person to distribute the securities. Sino Investment has held these shares and warrants since September 22, 2006. Sino Investment also owned the shares and warrants now belonging to the Dennis L. Pelino Family Trust, which were transferred on January 29, 2007.

(17) Shares are class A common shares that are restricted. Dragon Era Group Limited is owned by Fredy Bush's family trust. The business address of Dragon Era Group Limited is 31/F, The Center, 99 Queens Road Central, Hong Kong. 1,500,000 of these shares vested upon the Securities and Exchange Commission's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. 2,210,000 will vest on June 13, 2008, 2,210,000 will vest on June 13, 2009, 2,210,000 will vest on June 13, 2010 and 1,235,000 will vest on June 13, 2011. Fredy Bush was initially granted 11,050,000 restricted shares, the majority of which were transferred to Dragon Era on November 30, 2006, and others of which were transferred to other persons on November 20 and December 20, 2006.

(18) Shares are class A common shares held by Honour Rise Services Limited, or Honour Rise, a wholly-owned subsidiary of Shanghai Wai Gao Qiao Free Trade Zone Development Co., Ltd, or Wai Gao Qiao. Wai Gao Qiao is a majority-owned subsidiary of Shanghai Wai Gao Qiao (Group) Co., Ltd, a state-owned enterprise in China. The business address of Wai Gao Qiao is 3rd Floor, No. 458, Fute Road North, Shanghai, People's Republic of China. The registered address of Honour Rise is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. Honour Rise has owned these shares since November 1, 2006.

(19) Includes 3,464,772 class A common shares and 2,049,984 class A common shares that may be issued upon the exercise of warrants. The trustee is Mr. Dennis Pelino, who has investment and voting power over the shares held by the trust. The registered address of the trust is 118 West 4th Court, Miami, FL 33139. Mr. Pelino is an independent director of our parent, Xinhua Finance Limited, and serves on its audit, compensation and investment committees. Mr. Pelino also serves on the board of Xinhua Financial Network Limited. These shares and warrants were transferred from Sino Investment on January 29, 2007.

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On September 21, 2006, we entered into a Trademark License Agreement with Xinhua Financial Network Limited, or Xinhua Financial Network, our parent's predecessor and now subsidiary. Under this agreement, XFN granted us and our subsidiaries a non-exclusive license worldwide to use certain Xinhua trademarks in consideration for an annual license fee of $50,000. The contract has a term of 15 years and expires on September 20, 2021. Each party may terminate the agreement if the other party commits a material non-remediable breach or a material breach and fails to remedy it within 30 days upon receiving written notice, becomes insolvent or bankrupt or if we cease to be a subsidiary. We can not sublicense or assign any of our rights under this agreement to any other parties without obtaining prior written consent from Xinhua Financial Network. There is no specific renewability provision.

The terms and prices of these transactions, taken as a whole, were determined on an arm's-length basis and we believe we could have obtained comparable terms from independent third parties.

Loan agreements between us and our parent or its subsidiaries

On March 31, 2006, we issued a promissory note in the amount of $38.2 million for the benefit of Xinhua Financial Network and a promissory note in the amount of $68.5 million for the benefit of our parent. Both notes are due on demand and the interest rates are not specified. We issued the promissory notes to borrow money from our parent and Xinhua Financial Network to pay for the costs related to our acquisition from our parent of equity interests our parent had held before March 31, 2006 in Xinhua Finance Advertising Limited, the contractual control our parent had held before March 31, 2006 in Beijing Century Media Culture Co., Ltd. and advances from our parent and Xinhua Financial Network enabling us to acquire 19.0% equity interests in Upper Step Holdings Limited, or Upper Step, and Accord Group Investments Limited, or Accord Group.

On February 14, 2006, our subsidiary, EconWorld Media Limited, or EconWorld Media, issued a promissory note in the amount of $1,330,000 for the benefit of Xinhua Financial Network, evidencing a loan in the same amount borrowed by EconWorld Media for working capital purposes. The note was due on June 30, 2006 and the interest rate was 4% per annum. The loan was settled on June 9, 2006 by being set off against the purchase price of $2.8 million for one share of EconWorld Media. See "Management's discussion and analysis of financial condition and results of operations Acquisitions".

On October 18, 2005, EconWorld Media issued a promissory note in the amount of $300,000 for the benefit of Xinhua Financial Network, evidencing a loan in the same amount borrowed by EconWorld Media for working capital purposes. The note was due on June 30, 2006 and the interest rate was 4% per annum. The loan was settled on June 9, 2006 by being set off against the purchase price of $2.8 million for one share of EconWorld Media. See "Management's discussion and analysis of financial condition and results of operations—Acquisitions".

On November 7, 2005, EconWorld Media issued a promissory note in the amount of $200,000 for the benefit of Xinhua Financial Network, evidencing a loan in the same amount borrowed by EconWorld Media for working capital purposes. The note was due on June 30, 2006 and the interest rate was 4% per annum. The loan was settled on June 9, 2006 by being set off against the purchase price of $2.8 million for one share of EconWorld Media. See "Management's discussion and analysis of financial condition and results of operations—Acquisitions".

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Agreements in respect of shares in the Capital of Upper Step Holdings Limited among us, Sino Investment Holdings Limited, Sungolden Limited and its subsidiaries

We entered into a series of agreements pursuant to which we purchased 19.0% of the shares of Upper Step Holdings Limited, or Upper Step, from subsidiaries of Sungolden Limited, a subsidiary of Wai Gao Qiao. Under these agreements, Sino Investment also purchased 37.0% of the shares of Upper Step. These agreements also included a non-interest bearing loan as part of the consideration, to be repaid only with the unanimous consent of the shareholders of Upper Step.

Agreement for Sale and Purchase of Shares between us and Honour Rise Services Limited

Under this agreement, we purchased 20.0% of the shares of Accord Group Investments and 44.0% of the shares of Upper Step from Honour Rise Services Limited. See "—Private placement and share restructuring".

Agreements regarding Shanghai Camera Media Investment Co., Ltd.

See "Arrangements with partners and suppliers — Agreements regarding Shanghai Camera".

In addition, we have loaned $1.7 million to Shanghai Camera for working capital purposes. The loan is effective for one year beginning on March 28, 2006 and carries no interest. The maximum amount drawable under the loan is RMB 30.0 million ($3.8 million).

Transactions with Sino Investment Holdings

Shelly Singhal, our Chief Financial Officer, owns 89.4% of the equity interest Sino (US) LLC, which holds 99.0% of the equity interest of Sino Investment Holdings, or Sino Investment. Mr. Singhal holds the remaining 1.0%. He is a member of the board of directors of our parent and may also become one of our directors. The transactions we entered into with Shelly Singhal or entities controlled by Shelly Singhal, including, but not limited to, Sino Investment, are treated as related party transactions, as set forth below. The terms and prices of these transactions, taken as a whole, were determined on an arm's-length basis, and we believe we could have obtained comparable terms from independent third parties.

Transactions in which Sino Investment purchased its shareholdings in Upper Step Holdings Limited from subsidiaries of Sungolden Limited and sold its shareholdings in Upper Step Holdings Limited and Accord Group Investments Ltd. to us in exchange for our shares

See "Management's discussion and analysis of financial condition and results of operations-Acquisitions", "—Transactions with Shanghai Wai Gao Qiao Free Trade Zone Development Co., Ltd.—Agreements in respect of shares in the capital of Upper Step Holdings Limited among us, Sino Investment Holdings Limited and Sungolden Limited and its subsidiaries", and "—Private placement and share restructuring".

Transaction with Patriarch Partners

Patriarch Partners Media Holdings, LLC and its affiliates held 7.5% of the equity interests of our parent as of June 30, 2006. Patriarch Partners also holds 15,585,254 of our convertible preferred shares, which will automatically convert into 15,585,254 class A common shares upon

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Non-competition agreements

On September 22, 2006, we issued 125,053 class A common shares to Yu Gang in exchange for his entering into a Deed of Non-Competition Undertaking and Release with us. Under the Deed of Non-Competition Undertaking and Release, Yu Gang promised that he will not compete with us or Beijing Century Advertising Co., Ltd., or Century Media Advertising, for a term of four years. The terms of this non-competition agreement, including the price paid by us, when taken as a whole with the acquisition of 20% of the equity interest in Century Media Advertising by our controlled shareholder described below, were determined on an arm's length basis, and we believe the terms are comparable to terms we could obtain from independent third parties.

On September 22, 2006, we issued 1,613,169 class A common shares to Stephen Xie Wei, in exchange for his entering into a Deed of Non-Competition Undertaking and Release with us. Under the Deed of Non-Competition Undertaking and Release, Stephen Xie Wei promised that he will not compete with us or Hyperlink for a term of four years. The terms of this non-competition agreement, including the price paid by us, when taken as a whole with the acquisition of 49% of the equity interest in Hyperlink by us through Beijing Taide described below, were determined on an arm's length basis, and we believe the terms are comparable to terms we could obtain from independent third parties.

On September 22, 2006, we issued 5,761,317 class A common shares to Zhao Li, in exchange for his entering into a Deed of Non-Competition Undertaking and Release with us. Under the Deed of Non-Competition Undertaking and Release, Zhao Li promised that he will not compete with us or Economic Observer Advertising for a term of four years. The terms of this non-competition agreement, including the price paid by us, when taken as a whole with the acquisition of 50% of the equity interest in Economic Observer Advertising by us through Beijing Taide in September 2006, were determined on an arm's length basis, and we believe the terms are comparable to terms we could obtain from independent third parties. See "Management's discussion and analysis of financial condition and results of operations — Acquisitions".

See "Risk factors—Risks related to doing business in China— The approval of the China Securities Regulatory Commission, or the CSRC, may be required in connection with this offering under a recently adopted PRC regulation; any requirement to obtain prior CSRC approval could delay this offering and a failure to obtain this approval, if required, may create uncertainties for this offering and could have a material adverse effect on our business, operating results, reputation, prospects and trading price of our ADSs; the regulation also establishes more complex procedures for acquisitions conducted by foreign investors which could make it more difficult to pursue growth through acquisitions".

Private placement and share restructuring

On March 16, 2006, we entered into a share purchase agreement with Patriarch Partners to sell 16,404,926 convertible preferred shares to Patriarch Partners, at a price per share equal to $3.66 for an aggregate purchase price of approximately $60.0 million.

On September 22, 2006, we issued 4,099,968 warrants and 6,478,437 class A common shares and our parent paid $9.1 million to Sino Investment Holdings Limited, or Sino Investment, the 37.0% shareholder of our subsidiary Upper Step, and the 61.0% shareholder of Accord Group,

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another subsidiary of ours, in exchange for its shareholdings in Upper Step, and 451,107 class A common shares in exchange for its shareholdings in Accord Group. The warrants are exercisable at an initial price of $3.659 per share. In addition, Sino Investment issued a demand promissory note to us in the amount of $7.9 million as part of this transaction, which note has no specified interest rate. The warrants are immediately exercisable and valid for a period of five years.

On November 1, 2006, we issued 6,407,018 class A common shares to Honour Rise Services Limited (Hong Kong), a wholly-owned subsidiary of Wai Gao Qiao, and the 44.0% shareholder of our subsidiary Upper Step and 20.0% shareholder of our subsidiary Accord Group, and paid $10.0 million in exchange for its shareholdings in Upper Step and 125,053 shares in exchange for its shareholdings in Accord Group.

On July 24, 2006, we redesignated the 42,614,289 shares of our common shares held by Xinhua Finance Limited, our parent as class B common shares.

Acquisitions

On March 23, 2006, Yu Gang, then the 20.0% shareholder of Beijing Century Advertising Co., Ltd., or Century Media Advertising, and the President of our media production group, transferred 3.8% of his equity interest in Century Media Advertising to our controlled shareholder of Century Media Advertising for a price of RMB114,000 ($15,000) and 16.2% equity interest to Xia Huai, his wife, for RMB486,000 ($62,000).

On September 15, 2006, Xia Huai, the 16.2% shareholder of our affiliated entity Century Media Advertising and wife of Yu Gang transferred her 16.2% equity interest in Century Media Advertising to our controlled shareholder of Century Media Advertising for an aggregate price of RMB510,000 ($65,000).

The terms of this acquisition from Yu Gang and Xia Huai, including the prices paid by us, when taken as a whole with the non-competition agreement between Yu Gang and us described above, were determined on an arm's length basis, and we believe the terms are comparable to terms we could obtain from independent third parties.

On September 18, 2006, Stephen Xie Wei, 39.2% shareholder of Hyperlink, and Lu Qin Yong, 9.8% shareholder of Hyperlink, both members of the management team of Hyperlink, transferred their aggregate 49.0% of the equity interest in Hyperlink to us in exchange for an aggregate price of RMB245,000 ($31,000). The terms of the acquisitions from Stephen Xie Wei and Lu Qin Yong, including the price paid by us, when taken as a whole with the non-competition agreement between Stephen Xie Wei and us described above, were determined on an arm's length basis, and we believe the terms are comparable to terms we could obtain from independent third parties.

See "Risk factors— Risks related to doing business in China— The approval of the China Securities Regulatory Commission, or the CSRC, may be required in connection with this offering under a recently adopted PRC regulation; any requirement to obtain prior CSRC approval could delay this offering and a failure to obtain this approval, if required, may create uncertainties for this offering and could have a material adverse effect on our business, operating results, reputation, prospects and trading price of our ADSs; the regulation also establishes more complex procedures for acquisitions conducted by foreign investors which could make it more difficult to pursue growth through acquisitions".

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registered public accounting firm, as stated in their report appearing herein, and is included in reliance upon the report of such firm given upon their authority as experts in auditing and accounting.

The consolidated financial statements as of December 20, 2005 and for the period from March 23, 2005 (date of establishment) to December 20, 2005 for Beijing Taide Advertising Co., Ltd., included in this prospectus have been audited by Deloitte Touche Tohmatsu, an independent registered public accounting firm, as stated in their report appearing herein, and is included in reliance upon the report of such firm given upon their authority as experts in auditing and accounting.

The consolidated financial statements as of August 18, 2005 (predecessor entity — Beijing Shiji Guangnian Advertising Co., Ltd.), and December 31, 2005 and for the period from February 1, 2005 (date of establishment of Beijing Shiji Guangnian Advertising Co., Ltd.) to December 31, 2005 for Accord Group Investments Limited and its predecessor entity — Beijing Shiji Guangnian Advertising Co., Ltd., included in this prospectus have been audited by Deloitte Touche Tohmatsu, an independent registered public accounting firm, as stated in their reports appearing herein, and are included in reliance upon the reports of such firm given upon their authority as experts in auditing and accounting.

The consolidated financial statements as of December 31, 2004 and 2005 and for the years ended December 31, 2004 and 2005 for Beijing Perspective Orient Movie and Television Intermediary Co., Ltd., included in this prospectus have been audited by Deloitte Touche Tohmatsu, an independent registered public accounting firm, as stated in their report appearing herein, and is included in reliance upon the report of such firm given upon their authority as experts in auditing and accounting.

The consolidated financial statements as of December 31, 2004 and 2005 and for the years ended December 31, 2004 and 2005 for Shanghai Hyperlink Market Research Co., Ltd., included in this prospectus have been audited by Deloitte Touche Tohmatsu, an independent registered public accounting firm, as stated in their report appearing herein, and is included in reliance upon the report of such firm given upon their authority as experts in auditing and accounting.

The office of Deloitte Touche Tohmatsu is located at 35F, One Pacific Place, 88 Queensway, Hong Kong S.A.R.

Where you can find additional information

We have filed with the SEC a registration statement on Form F-1, including relevant exhibits and securities under the Securities Act with respect to underlying common shares represented by the ADSs, to be sold in this offering. A related registration statement on F-6 will be filed with the SEC to register the ADSs. This prospectus, which constitutes a part of the registration statement, does not contain all of the information contained in the registration statement. You should read the registration statement and its exhibits and schedules for further information with respect to us and our ADSs.

Immediately upon completion of this offering we will become subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. As a foreign private issuer, we are exempt from the rules of

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The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition of the remaining 50% equity interest in Economic Observer Advertising.

Assets acquired:		
Cash	$	212,530
Investment in an affiliate		370,416
Accounts receivables		1,552,851
Other receivables		580,321
Prepaid expenses		7,531,794
Property and equipment		35,528
Total		10,283,440
Liabilities assumed:		
Other payables		8,134,283
Loan from shareholders		37,106
Amounts due to related parties		401,477
Taxation		374,959
Deferred tax liability		9,787,796
Long term payable		12,943,349
Total		31,678,970
Intangible assets, exclusive advertising agreement		28,103,751
Net assets acquired		6,708,221
Consideration, issuance of XFM's shares		6,337,449
Cash consideration paid		308,680
Transaction costs		62,092
	$	6,708,221

The exclusive advertising agreement has an amortization period of 50 years.

The accompanying consolidated financial statements included the accounts and balance of Economic Observer Advertising as of December 31, 2006 and the operating results for the period from June 8, 2006 (date of acquisition by XFM) through December 31, 2006.

(e) Accord Group Investments ltd.

Accord Group Investments Limited was established in the BVI on June 15, 2005. Accord and its subsidiaries and consolidated VIE, (collectively the "Accord Group") place advertisements, provide advertising services to customers in the PRC and have the exclusive rights to sell advertising for and the rights to provide content to the EasyFM radio stations of Beijing and Shanghai. Accord Group also provides design and production services to its customers.

On January 23, 2006, XFL acquired a 19% equity interest in Accord Group for cash consideration of $440,000 which was paid by XFN, a subsidiary of XFL, on its behalf. On March 16, 2006, XFL transferred all its 19% beneficial interests in Accord Group to XFM in exchange for the same amount due to XFN.

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On September 22, 2006, XFM acquired 61% of the equity of Accord Group from Sino Investment Holdings Limited ("Sino Investment"), a company controlled by two directors of XFL and the chief financial officer of the Company has beneficial interest, by issuing 451,107 of its class A common shares valued at $1.1 per share. As part of the acquisition, the Company also issued 125,053 class A common shares valued at $1.1 per share to an individual in exchange of his entering into a Deed of Non-Competition Undertaking and Release with the Company. The total value of the shares issued amounted to $633,776.

On November 1, 2006, XFM acquired the remaining 20% equity of Accord Group for $237,600, which was settled by the issuance of 125,053 of its class A common shares valued at $1.90 each. As a result, Accord Group became a wholly-owned subsidiary of XFM.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed on the respective date of acquisitions of Accord Group. The table also reflects a non-cash activity for purposes of the consolidated statement of cash flows:

	As of September 22, 2006(1)	As of November 1, 2006(2)
Assets acquired:		
Cash	$ 259,661	$ 665,174
Accounts receivables	202,234	59,640
Prepaid expense and other current assets	81,628	15,617
Property and equipment, net	133,901	25,945
Total	677,424	766,376
Liabilities assumed:		
Accounts payables	197,837	50,524
Other payables and other current liabilities	1,290,053	29,540
Loan from shareholders	2,464	—
Amounts due to related parties	1,626,282	1,106,424
Income taxes payable	219	—
Deferred tax liability	450,670	—
Total	3,567,525	1,186,488
Intangible assets	1,309,221	33,779
Loss of Accord Group previously equity accounted for	52,211	—
Net (liabilities assumed) assets acquired	(1,528,669)	33,779
Cash consideration paid in 2006	440,000	—
Issuance of XFM's shares	633,776	237,600
Total considerations	1,073,776	237,600
Goodwill	$ 2,602,445	$ 203,821

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The accompanying consolidated financial statements included the accounts and balance of Shanghai Hyperlink as of December 31, 2006 and the operating results for the period from August 1, 2006 (date of acquisition by XFL) through December 31, 2006.

The following pro forma information summarizes the effect of the acquisition, if the acquisitions of Shanghai Hyperlink occurred as of January 1, 2005. This pro forma information is presented for information purposes only. It is based on historical information and does not purport to represent the actual results that may have occurred had the Company consummated the acquisitions on January 1, 2005, nor is it necessarily indicative of future results of operations of the consolidated enterprises:

		2005		2006
Pro forma net revenues	$	7,748,321	$	60,250,623
Pro forma income from operations		2,518,351		6,900,362
Pro forma net income		1,370,109		3,364,955

(h) Upper Step Holdings Ltd

Upper Step Holdings Limited ("Upper Step") was established in the BVI on September 28, 2005. Upper Step is engaged in the provision of advertising and consulting services in relation to the strategic partnership with Shanghai Camera Media Investment Co., Ltd.

On February 28, 2006, XFN paid cash of $5,100,000 to a selling shareholder as consideration for 19% of the equity of Upper Step. On March 16, 2006, the 19% equity holding was transferred to XFM. XFM subsequently contributed cash amounting to $1,200,000 directly to Upper Step as additional contribution for its existing 19% equity interest. This resulted in total consideration of $6,300,000 for acquiring this equity interest from XFM's perspective. Transaction costs of $133,250 were incurred. On September 22, 2006, XFM obtained that 37% equity of Upper Step from Sino Investment, for a total consideration of $18,954,281, of which $7,126,281 was settled by the issuance of 6,478,437 of its class A common shares at a price of $1.1 per share, $628,000 was settled by the issuance of 4,099,968 of its warrants, additional cash consideration of $9,100,000 paid by XFL on behalf of XFM and cash consideration of $10,000,000 paid by XFM. Included in total cash consideration of $19,100,000, $7,900,000 represented payment made by XFM on behalf of Sino Investment to vendor. Direct costs of $142,820 were incurred. The warrants are immediately exercisable at a price of $3.659 per share and valid for a period of five years. The chief financial officer of the Company has beneficial interest in Sino Investment.

On November 1, 2006, XFM had obtained the remaining 44% equity in Upper Step at total consideration of $12,173,334, which were settled by the issuance of 6,407,018 class A common shares of the Company valued at $1.9 each.

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a term of four years as part of the acquisitions of Beijing Shiji Guangnian Advertising Co., Ltd. ("Beijing Century Advertising"), Shanghai Hyperlink and Economic Observer Advertising.

On September 22, 2006, 6,929,544 class A common shares were issued to Sino Investment for its investments in Upper Step and Accord Group.

On November 1, 2006, pursuant to a share subscription agreement, XFM issued 6,532,071 and 6,532,071 class A common shares to an individual in exchange for his entering into a Deed of Non-Competition Undertaking and Release with XFM and Beijing Century Advertising for a term of four years as part of the acquisition of Accord Group and Upper Step.

18. Share options

Pursuant to the directors' resolution on July 11, 2006, the Company granted options to employees for the purchase of a maximum of 11,727,602 shares in the Company, subject to vesting requirements. The options entitle the option holder to acquire one ordinary share of the Company at an exercise price of $0.78 per share.

The key terms of the share options are as follows:

Termination of options. Where the option agreement permits the exercise or purchase of the options granted for a certain period of time following the recipient's termination of service with us, or the recipient's disability or death, the options will terminate to the extent not exercised or purchased on the last day of the specified period or the last day of the original term of the options, whichever occurs first.

Vesting period. In general, options granted under our individual option agreements will vest in the following manner. The first half of any option grant will vest upon the earlier of the date of the initial public offering and December 31, 2007. The next two quarters will vest on December 31, 2008 and 2009, respectively. For options under the share option plan, this will be subject to the discretion of the option administrative committee.

Option exercise. The term of options granted under individual option agreements may not exceed five years from the date of grant. The consideration to be paid for XFM shares upon exercise of an option or purchase of shares underlying the option will be determined by the plan administrator and may include a certified or cashier's check or consideration received by us under a cashless exercise program implemented by us in connection with the XFM share option agreement, or any combination of the foregoing methods of payment.

Termination of option agreements. Unless terminated earlier, XFM share options granted under individual option agreements will expire in 2011. XFM's board of directors will have the authority to amend or terminate XFM's share option agreement subject to shareholder approval to the extent necessary to comply with applicable law.

The excisable period of the option is 5 years up to 2011. During the year ended December 31, 2006, compensation expense of $626,858 was recognized and included in general and administrative expenses.

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on the net income of 2005 and 2006; consideration of $440,000 paid for the acquisition of Accord Group, $5,131,517 deposit paid for the proposed acquisition of 19% equity interest in Upper Step, initial consideration of $29,000,000 paid for the acquisition of XFA and contingent consideration of $3,647,746 paid for the acquisition of XFA. Both notes are due on demand and the interest rates are not specified. XFM issued the promissory notes to borrow money from XFL and XFN to pay for the costs related to XFM's acquisition of XFA, Upper Step, and Accord Group and the contractual control of Beijing Century Media. The transaction agreements for some of these acquisitions contain earn-out provisions that would require payment of additional consideration based on the financial performance of the acquired companies. These earn-out considerations are the obligations of XFL. While not specified in the contract XFL may request that the Company pay any difference between those payments and amounts due under the promissory notes.

As of December 31, 2005, the amount due to parent and its affiliates of $5,599,545 included the initial consideration for Beijing Century Media of $3,000,000 (Note 3), $1,500,000 for the 60% interest in EconWorld Media and two other promising notes for $500,000 in total. During the year ended December 31, 2006, the Company issued common shares to settle the aforesaid share subscription in EconWorld Media, earn-out considerations for the acquisition and other transaction costs and repaid the two promising notes

On February 14, 2006, EconWorld Media issued a promissory note in the amount of $1,330,000 to XFN. The promissory note was due on June 30, 2006 and the interest rate was 4% per annum. The note was for working capital purposes and was settled on June 9, 2006.

On April 18, 2006, the Company entered into an advisory agreement with Patriarch Partners Management Group, LLC and XFL. Patriarch Partners Management Group, LLC, being the holder of preferred shares and convertible loan of the Company, is to act as advisor to the Company in making acquisitions of the majority of stock or assets in target companies. It is agreed to pay a success fee to Patriarch Partners Management Group, LLC for each successful acquisition in an amount to be mutually agreed, and not to exceed $5.0 million. During the year ended December 31, 2006, the Company paid $3.5 million consulting fees under this agreement. The agreement will be terminated on April 18, 2007.

On September 21, 2006, 5,761,317 class B common shares of the Company was allotted and issued to XFL for the acquisition of 50% equity interests of Economic Observer Advertising and 1,679,012 class B common shares of the Company was allotted and issued to XFL for the acquisition of 51% equity interests of Shanghai Hyperlink respectively.

On September 22, 2006, XFM obtained the 37% equity of Upper Step from Sino Investment, which was then 50% owned by one of the Company's senior management officers, for a total consideration of $18,954,281, and paid $7,900,000 on behalf of Sino Investment to the vendor. Sino Investment issued a promissory note in the amount of $7,900,000 to the Company. The amount is repayable on demand and has no specified interest rate stated in the promissory note.

On September 13, 2006, the Company entered into a Group Services Agreement with XFL. Under this agreement, certain services shall be provided to XFM in exchange for a variable charge. The services include a wide range of services including management, human resources, finance, legal, corporate communications, public relations, information technology and